Banks allowed to declare **IL&FS** accounts bad loans

The NCLAT, however, says banks can't initiate recovery, debit money from IL&FS and subsidiaries' accounts

New Delhi, 2 May

he National Company Law Appellate Tribunal (NCLAT) on Thursday allowed banks declare accounts of Infrastructure Leasing & Financial Services (IL&FS) and its 300 group companies non-performing asset (NPA) if they had defaulted on payments. The appellate tribunal, however, said the lenders would not be able to initiate the recovery process against these accounts or debit money from them. The lenders, the NCLAT observed, must not withdraw their support from IL&FS until a final resolution for the company and its subsidiaries was found.

The order came on a plea moved by the Reserve Bank of India (RBI), which had said that banks had an obligation to mark bad loans as NPA in the cases of non-payment, after the default of 90 days. The lenders, the RBI had pleaded, could not be relieved of this duty.

The banking sector regulator had moved the NCLAT for the modification of a February 25 order in which the appellate tribunal said that accounts of IL&FS and its 300-odd subsidiaries could not be classified NPAs without approval. The tribunal's directions had come during a hearing on the government's plan for the resolution of IL&FS group companies.

Later, when the RBI had approached the NCLAT, the appellate tribunal had observed that the RBI should not "make it a prestige issue". It had also said the central bank could not restrict the appellate tribunal from passing orders in the issue.

The RBI, on the other hand, had said that reflecting such loans as NPA on the books of banks was important as it acted as an early warning signal for the sector. The February 25 order of the NCLAT, the RBI had said, would lead to a "situation where statutory instructions/guidelines/circulars issued by the RBI become infructuous".

The RBI had then said it was not on the question of the resolution process of IL&FS and just wanted a modification to the order, which would allow banks to record NPAs on their books in terms of the master circular, which was also upheld by the Supreme Court.

IL&FS: HOW THE CRISIS UNFOLDED

- IL&FS defaults on ₹1,000 crore term loan; subsidiary defaults on dues owed to Sidbi
- Sebi says looking into crisis; shareholders say will not let the company fail
- RBI meets IL&FS shareholders, listens to their concerns

OCT 2018

- Govt takes over II&FS, appoints new 10-member board
- Plea for interim moratorium on dues payment rejected by NCLT Mumbai; IL&FS moves NCLAT

FEB 2019

- NCLAT grants moratorium, says IL&FS, subsidiaries cannot be declared NPAs for now
- RBI moves NCLAT, says declaring NPA duty of banks

On February 11, the central government and the new board of IL&FS had submitted an affidavit detailing three categories green, amber, and red.

Companies with no cash and not in a position to pay any creditor were classified as red, while those with enough to pay secured creditors but not unsecured ones were put under the amber category. The firms which have enough money to service all their debts, to the secured as well as unsecured creditors, were classified as green. During the hearing on February 11, the NCLAT had allowed 22 companies, in the green category, to service their debt obligations.

The major group companies in the green list include IL&FS Investment Managers, IL&FS Securities Services, IL&FS Paradip Refinery Water, Tamil Infrastructure Managers, IL&FS Urban 6.42 per cent as of March-end 2018.

Infrastructure Managers, IL&FS Infra Asset Management, North Karnataka Expressway, IL&FS Solar Power, Tadas Wind Energy, Khadke Wind Energy. Etesian Urja, Kaze Energy, Wind Urza India, Maytas Logiparks, Lalpur Wind Energy, Jharkhand Infrastructure Invest Company, IIML Asset Advisors, and IISL Settlement & Transmission Services. The total outstanding loans of the IL&FS group are about ₹60.000 crore, while debt of the group is over ₹91,000 crore.

LIC is the largest shareholder in IL&FS with a fourth of the equity in the company, while Orix Corporation of Japan owns 23.5 per cent. Other shareholders include Abu Dhabi Investment Authority with a 12.5 per cent stake, IL&FS Employees Welfare Trust with 12 per cent, HDFC with 9.02 per cent, while Central Bank of India holds Nadu Water Investment, IL&FS Asian 7.67 per cent and State Bank of India holds

Bandhan Bank Q4 net profit jumps 68% to ₹650.87 crore

Will take the offer for sale route to reduce promoter stake to 40%

NIKHAT HETAVKAR Mumbai, 2 May

Private lender Bandhan Bank on Thursday jumped 68 per cent for the quarter ended March 2019, with a significant increase in other income and healthy interest income growth over the previous year's quarter. However, gross nonperforming assets (NPAs) saw a spike over March last year.

The Kolkata-based lender's net profit was ₹650.87 crore for the March quarter, against ₹388 crore in the year-ago quarter.

Bandhan Bank will take the offer for sale route to reduce its promoters' stake to 40 per cent as required by the Reserve Bank of India (RBI) and will not look at any acquisition, said CS Ghosh, managing director and chief executive, Bandhan Bank.

Business Standard had earlier reported that the lender will soon be finalising plans for bringing down the stake, with Ghosh ruling out further acquisition.



The bank's stock closed at ₹622.60, down 4.11% on the BSE from the previous close PHOTO: DALIP KUMAF

announced the merger of Gruh in the corresponding quarter Finance with itself, which reduced the promoters' stake to about 61 per cent, from the earlier 82.3 per cent.

The bank is awaiting final approval from the National Company Law Tribunal for the merger, while approvals from the Securities and Exchange Board of India, RBI, Competition Commission of India are in place, it said in a filing to the exchanges.

Net interest income, which expended, for the quarter grew 45.6 per cent at In January, the bank ₹1,258 crore, against ₹864 crore NPA and is fully provided for.

of the previous year.

Other income grew by 91.13 per cent at ₹388 crore for the quarter ended March 31, against ₹203 crore in the corresponding quarter of the previous year.

Gross NPAs, as a percentage of gross advances, stood at 2.04 per cent as of March 2019, compared to 2.41 per cent as of December 2018, and 1.25 per cent as of March 2018.

The bank has an exposure of₹384.95 crore to Infrastructure is interest earned less interest Leasing & Financial Services. The bank said that the exposure continues to be classified as

Total advances grew by 38.46 per cent at ₹44.776 crore as on March 31, 2019, against ₹32,339 crore as on March 31, 2018, Total deposits increased by 27.64 per cent to ₹43,232 crore as on March 31, 2019, compared to ₹33,869 crore as on March 31, 2018.

The bank's current account-savings account ratio stood at 40.75 per cent of total deposits, compared to 34.32 per cent in the corresponding period last year.

Bank shaping up well, on most fronts

Eye on GSP benefits, India again postpones US tariffs

in the US'

Commerce

be in India

SUBHAYAN CHAKRABORTY

New Delhi, 2 May

India — for an unprecedented seventh time — on Thursday change in the US' postponed the proposed higher tariffs on high-value goods from Washington, with tariff-free access to the United States (US) markets at stake.

Officials said the government decided to extend the deadline one last time as it awaits a final confirmation from tive's (USTR's) office the US on whether it would formally discontinue all tariff benefits to India under its largest preferential trade scheme, the

Generalized Preferences (GSP).

The government

is hoping for a stand on the GSP next week when US Commerce Secretary Wilbur Ross would be in

New Delhi. In March, the US trade representa-

New Delhi that Indian exports

under their updated eligibility

System of criteria. But according to USTR Monday to Wednesday (May 6guidelines.

changes generally **Govt is hoping** take effect in about for a change 60 days after the notifications, or stand on the around May 1. A GSP next week final Presidential when the US proclamation seals the move, something the White House still hasn't done. India is the

largest beneficiary notified the US Congress and nation under the GSP, having exported goods worth \$5.6 hil-

did not qualify for GSP benefits lion to the US in 2017-18. During Ross' visit from

8), the US Department of Commerce would host its largest annual trade mission, the 11th Trade Winds Business Forum and Mission, from May 6-13. He is expected to discuss a mutually acceptable trade package that has been derailed by repeated threats of high counter-tariffs on Indian goods by US President Donald Trump, officials added.

The package has been in the works for the past one year and trade officials have met as many as six times to hammer out a deal that provides an amicable solution to grouses from both sides.



Extract of the Standalone Audited Financial Results for the quarter and year ended 31st March 2019

(₹ In lakhs) (Except EPS)

| SI. No. | Particulars | Quarter ended 31.03.2019 (Audited) | Year ended 31.03.2019 (Audited) | Quarter ended 31.03.2018 (Audited) | |
|------------|---|--|---------------------------------------|--|--|
| 1. | Total income from Operations | 197826.12 | 805800.25 | 166222.92 | |
| 2. | Net Profit for the period (before Tax, Exceptional and / or Extraordinary items) | 5665.79 | 28570.93 | 5156.35 5156.35 | |
| 3. | Net Profit for the period before tax (after Exceptional and / or Extraordinary items) | 5665.79 | 28570.93 | | |
| 4. | Net Profit for the period after tax (after Exceptional and / or Extraordinary items) | 3905.29 | 18806.46 | 3418.72 | |
| 5. | Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income (After tax)] | 3967.56 | 18734.55 | 3416.10 | |
| 6. | Paid up Equity Share Capital (Face value of Rs.2/- each) | 2668.19 | 2668.19 | 2666.15 | |
| 7. | Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year | 128826.10 | 128826.10 | 111545.80 | |
| 8. | Earnings Per Share (Face Value of Rs.2/- each) (not annualised) | | | | |
| | Basic: | 2.93 | 14.10 | 2.56 | |
| | Diluted: | 2.93 | 14.08 | 2.56 | |

Notes:

- 1. The above is an extract of the financial results for the quarter and year ended 31st March 2019 which have been reviewed by the Audit Committee and approved by Board of Directors in their meeting held on 2nd May 2019 and filed with the stock exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the aforesaid financial results are available on the website of the Company, Bombay Stock Exchange Limited and National Stock Exchange of India Limited i.e. www.radicokhaitan.com, www.bseindia.com and www.nseindia.com
- 2. The Board of Directors has recommended dividend on equity shares @ Rs. 1.20 per equity share having face value of Rs. 2/- of the Company amounting to Rs. 1600.91 Lakhs (excluding dividend distribution tax), for approval of the shareholders at their ensuing Annual General Meeting
- 3. This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (Ind AS) prescribed under Section 133 of the Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- The figures for the quarter ended March 31, 2019 & March 31, 2018 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the 3rd quarter of the current financial year and previous For and on behalf of the Board

New Delhi

2nd May 2019





EBITDA





PAT





6.1%





Abhishek Khaitan

Managing Director DIN No. 00772865



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(CIN: L24239AP2005PLC047518)

Extract of Audited Consolidated Financial Results of Laurus Labs Limited for the quarter and year ended March 31, 2019 prepared in compliance with Indian Accounting Standards.

Ouarter ended Year ended Year ended **Particulars** No 31-Mar-19 31-Dec-18 31-Mar-18 31-Mar-19 31-Mar-18 Total revenue from operations 22,919.16 6,351.61 5,294.57 5,602.40 20,690.03 2 Net Profit for the period (Before tax, Exceptional 525.69 640.88 1,197.52 2,374.16 227.68 and/or Extraordinary items) 3 Net Profit for the period before tax (After Exceptiona 525.69 227.68 640.88 1,197.52 2,374.16 and/or Extraordinary items) 178.17 450.80 1,676.10 Net Profit for the period after tax (After Exceptional 431.79 937.64 and/or Extraordinary items) 454.04 Total Comprehensive Income for the period 441.08 202.61 900.90 1,676.30 6 1,064.37 1,064.37 1,060.30 1,064.37 **Equity Share Capital** 1,060.30 Reserves (Excluding Revaluation Reserve) as shown 14,519.70 13,766.09 in the Audited Balance Sheet Earnings Per Share (of ₹ 10/- each) 1. Basic: ₹ * 4.07 1.67 4.26 8.83 15.83 2. Diluted: ₹ * 4.05 8.80 15.76 1.67 4.24

Not annualised for quarter ended

1. Additional information on Audited standalone financial results for the quarter and year ended March 31, 2019

(₹ in millions)

| SL. No. | Particulars | Quarter ended | | | Year ended | Year ended |
|------------|---|---------------|-----------|-----------|------------|------------|
| | | 31-Mar-19 | 31-Dec-18 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 |
| 1 | Total revenue from operations | 6,176.37 | 5,127.76 | 5,465.47 | 22,361.48 | 20,392.88 |
| 2 | Profit before tax | 544.48 | 222.05 | 632.04 | 1,212.19 | 2,409.07 |
| 3 | Profit after tax | 439.48 | 174.82 | 463.52 | 949.94 | 1,731.39 |
| 4 | Total Comprehensive Income for the period | 448.95 | 196.13 | 467.67 | 919.24 | 1,731.57 |

- 2. The above is an extract of the detailed format of Quarterly/Year ended Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Reguirements) Regulations, 2015. The full format of the Quarterly/Year ended Financial Results are available on the websites of the Stock Exchanges and the Company namely www.bseindia.com, www.nseindia.com and www.lauruslabs.com
- 3. The Government of India introduced the Goods and Services Tax (GST) with effect from July 01, 2017. Accordingly, revenue from operations are presented net of taxes and duties, on implementation of Goods and Services Tax Act. Revenue from operations for the year ended March 31, 2018 included Excise duty upto June 30, 2017 which is now subsumed in GST.
- 4. The above financial results of the Company as reviewed by the Audit Committee has been approved by the Board of Directors at its meeting held on May 02, 2019. 5. The Board of Directors, at their meeting held on May 02, 2019, recommended a dividend of ₹ 1.50/- per share, subject to the approval of
 - By order of the Board

For Laurus Labs Limited

Dr. Satyanarayana Chava

Place: Hyderabad

shareholders.

Whole Time Director & Chief Executive Officer